

U. S. Department of Labor Employment and Training Administration Washington, D.C. 20210	<b>CLASSIFICATION</b> TWWIIA
	<b>CORRESPONDENCE SYMBOL</b> OAS
	<b>DATE</b> May 4, 2000

# **TRAINING AND EMPLOYMENT INFORMATION NOTICE NO. 18-99**

TO: ALL STATE WORKFORCE LIAISONS  
ALL STATE WORKER ADJUSTMENT LIAISONS  
ALL STATE EMPLOYMENT SECURITY AGENCIES  
ALL ONE-STOP CAREER CENTER SYSTEM LEADS

FROM: LENITA JACOBS-SIMMONS  
Deputy Assistant Secretary



SUBJECT: Ticket to Work and the Work Incentives Improvement  
Act of 1999

1. Purpose. To provide information to the One-Stop service delivery system on new work incentives for individuals with disabilities.

2. Background. On December 17, 1999, President Clinton signed into law the Ticket to Work and Work Incentives Improvement Act (TWWIIA) of 1999 or PL. 106-170. TWWIIA is the culmination of several years of work by individuals with disabilities, their advocates, the Administration, and Congress. The new law focuses on increasing access to health care, as well as employment, training and rehabilitation services for individuals with disabilities.

*"Today, we say with a simple, but clear voice, no one should have to choose between taking a job and having health care"*

*President Bill Clinton*

*December 17, 1999 signing of the TWWIIA*

In the past there were specific barriers encountered by individuals on Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) that impeded their ability to enter or re-enter the work force. Individuals receiving assistance through these programs faced specific income and resource limitations that meant a choice between work and continued access to needed health care. Individuals with disabilities seeking specialized employment services such as those authorized in Title IV of the Workforce Investment Act (the Vocational Rehabilitation Act of 1973 as amended) were often faced with limited resources and resulting waiting lists.

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The new TWWIIA addresses these issues by allowing an individual to maintain his/her Medicare or Medicaid while working, establishes a new "Ticket to Work and self-Sufficiency" program (the "Ticket"), reauthorizes demonstration grant authority for the Social Security Administration (SSA), and establishes a new benefits counseling program.

Although individuals with disabilities are expected to have access to generic One-Stop services, the "Ticket" represents an opportunity for additional resources to the One-Stop delivery system to assist in their provision of services to people with disabilities.

**With a "Ticket", disabled beneficiaries may obtain employment services, rehabilitation services, or other support services from an "Employment Network". The TWWIIA specifically cites One-Stops as potential Employment Networks. As an Employment Network, a qualified One-Stop would provide employment services, rehabilitation services or other support services which would subsequently be reimbursed by the Social Security Administration for associated costs based upon the total savings to the Social Security Trust fund. State Vocational Rehabilitation Agencies may also elect to participate as an Employment Network.**

The TWWIIA describes the general provisions of the "Ticket" at Section 101:

*(a) In General - The Commissioner shall establish a Ticket to Work and Self-Sufficiency Program, under which a disabled beneficiary may use a ticket to work and self-sufficiency issued by the Commissioner in accordance with this section to obtain employment services, vocational rehabilitation services, or other support services from an employment network which is of the beneficiary's choice and which is willing to provide such services to such beneficiary.*

*(b) Ticket System -*

*(1) Distribution of Tickets - The Commissioner may issue a ticket to work and self-sufficiency to disabled beneficiaries for participation in the Program.*

*(2) Assignment of Tickets - A disabled beneficiary holding a ticket to work and self-sufficiency may assign the ticket to any employment network of the beneficiary's choice which is serving under the Program and is willing to accept the assignment.*

*(3) Ticket Terms - A ticket issued under paragraph (1) shall consist of a document which evidences the Commissioner's agreement to pay .....an employment network, which is serving under the Program and to which such ticket is assigned by the beneficiary, for such employment services, vocational rehabilitation services, and other support services as the employment network may provide to the beneficiary.*

The TWWIIA also establishes the qualifications for eligibility as an Employment Network at Section 101:

*(f) Employment Networks.--*

*“(1) Qualifications for employment networks.--*

*“(A) In general.--Each employment network serving under the Program*

*shall consist of an agency or instrumentality of a State (or a political subdivision thereof ) or a private entity, that assumes responsibility for the coordination and delivery of services under the Program to individuals assigning to the employment network tickets to work and self-sufficiency issued under subsection (b).*

*“(B) One-stop delivery systems.--An employment network serving under the Program may consist of a one-stop delivery system established under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.).*

*“(C) Compliance with selection criteria.--No employment network may serve under the Program unless it meets and maintains compliance with both general selection criteria (such as professional and educational qualifications, where applicable) and specific selection criteria (such as substantial expertise and experience in providing relevant employment services and supports).*

*“(D) Single or associated providers allowed.--An employment network shall consist of either a single provider of such services or of an association of such providers organized so as to combine their resources into a single entity. An employment network may meet the requirements of subsection (e)(4) by providing services directly, or by entering into agreements with other individuals or entities providing appropriate employment services, vocational rehabilitation services, or other support services.*

All TWWIIA programs and services will be phased in over the next four years. The regulations are expected to be published by SSA before the first of next year. The first ten “Ticket” pilot States will be chosen by then as well.

These new programs represent a significant change in public disability policy that will increase the opportunity for beneficiaries of both SSDI and SSI to become self-sufficient as well as enhance the ability of the workforce investment system to serve individuals with disabilities.

The regulations will be made available to the One-Stop service delivery system as soon as they are published by SSA. The full text of the legislation is available on the disAbility Online website at <http://wdsc.org/disability>.

3. DOL/ETA Perspective. The Department of Labor, Employment and Training Administration (DOL/ETA) considers the TWWIIA and Ticket program to be an opportunity to create model workforce services for people with disabilities in the One-Stop system and to be an active partner in improving employment outcomes and retention for these individuals. DOL/ETA envisions the One-Stop system as a primary Employment Network provider available to beneficiaries of SSDI and SSI as a central point of comprehensive, seamless services which incorporates expanded access to qualified and expert employment, training or rehabilitation providers.

It will be up to State and local Workforce Investment Areas to avail themselves of the opportunities to improved service delivery provided by the TWWIIA. DOL/ETA will work to facilitate the involvement of the workforce system and participate in policy considerations which will emerge as Ticket provisions are implemented.

The Social Security Administration has contracted with The Gallup Organization to assist the Agency in determining the level of interest of organizations in becoming Employment Networks, which will deliver employment-related services to Social Security disability beneficiaries under public law 106-170, TWWIIA. This information will be used to develop profiles of potential Employment Networks, including their capabilities, the types of services they offer, and their availability to all SSA disability beneficiaries. SSA will use these profiles to facilitate the rapid recruitment of Employment Networks within the time frames specified in the Act.

If your Workforce Investment Board or One-Stop service delivery system would like to be a part of this initiative, Gallup will mail you a copy of the questionnaire. You will also have the option of completing the questionnaire on the World Wide Web. The web site address and a unique PIN number for accessing the web questionnaire will be provided with the paper questionnaire.

Interested public or private workforce entities may call Gallup's toll-free hotline at 1-800-788-9987 or send an email to SSA\_EN@gallup.com.

4. Actions Facilitating Implementation of the Ticket. DOL/ETA will issue a Solicitation for Grant Application in the spring of 2000 under a new \$20 million Work Incentive Grant program. This grant program is designed to enhance services to people with disabilities in the One-Stop system and expand One-Stop services to public and private entities that typically serve people with disabilities but are not current partners in One-Stop. A significant objective of the Work Incentive Grants is to build One-Stop infrastructures that are eligible to participate in the Ticket program as qualified Employment Networks. Eligible applicants of the SGA include consortia of public and private non-profit entities. The Department expects to announce the recipients of grant awards September 30, 2000.

Under the TWWIIA, both the Social Security Administration and the Health and Human Services Administration, Health Care Financing Administration (HHS/HCFA) are authorized to develop and implement new grant programs. The SSA is currently developing a Request for Proposal (RFP) to award \$23 million for the establishment of benefits planners and assistance counselors across the country. HHS/HCFA will be awarding grants to State Medicaid agencies to expand the infrastructure for the health care buy-in component of the TWWIIA.

ETA is working closely with the President's Task Force on Employment of Adults with Disabilities, SSA and HCFA to coordinate the issuance and objectives of the respective grant programs, to the extent possible. It is hoped that many recipients of the SSA benefits planner grants will establish counselors in One-Stop Centers or develop strong

linkages with them. Additional information on the respective grant programs and other resources will be available at: <http://wdsc.org/disability> as soon as each agency announces and issues its solicitations.

DOL/ETA participated in SSA sponsored forums that were being held across the country to disseminate information on the provisions of the TWWIIA, as well as the Workforce Investment Act, to disability consumer organizations and providers. Additional information on efforts to implement TWWIIA can be found at <http://www.ssa.gov/work/>.

5. Action Required. Recipients are requested to distribute this TEIN with attachments to the State and Local Workforce Investment Boards, and with other workforce development Partners.

6. Inquiries. Questions should be directed to Alexandra Kielty or Jim Downing, 202-219-5500.

7. Attachments.

- Questions and Answers
- Social Security Legislative Bulletin
- Fact Sheet
- Employment Networks Questionnaire

# Questions and Answers

**On December 17, 1999, President Clinton signed the Ticket to Work and Work Incentives Improvement Act of 1999. This law includes several important new opportunities for people who receive Social Security disability benefits who want to go to work.**

## I. The Ticket to Work Program

### **What is the Ticket to Work Program?**

The Ticket Program is something new in SSA. The program will offer SSA disability beneficiaries greater choice in obtaining the services they need to help them go to work.

### **When will the Ticket Program begin?**

Before we officially begin this major new program, SSA will take one year to make sure that it will operate as well as possible. Some beneficiaries will begin to receive Tickets early in 2001.

### **Will the Ticket Program start everywhere at the same time?**

No. During the first year of operation, which will begin January 2001, the program will be available only in certain States. In the next couple of years, we will expand the program to other parts of the country. The program will be operating in the entire country by January 1, 2004. So, people will receive their Tickets at different times.

### **How will I know where the Ticket Program is available?**

We will announce our plans in many different places where people who receive Social Security disability benefits get information about SSA, including Social Security's Internet web site, [www.ssa.gov](http://www.ssa.gov)

### **What will a Ticket look like?**

The Ticket will be a paper document that will have some personal information and some general information about the Ticket Program

### **How will I get my Ticket?**

When the program begins in January 2001, we will be working with an organization the law calls a **Program Manager**. The Program Manager, whom we have not yet selected, will help

us to manage the Ticket program. The Program Manager will help us send the Ticket in the mail with a letter explaining the program.

### **Where would I take my Ticket to get services?**

You will take your Ticket to what the law calls an **Employment Network**. The Employment Networks will be private organizations or public agencies that have agreed to work with Social Security to provide services under this program.

### **How will I find out about the Employment Networks?**

The Program Manager will send you a list of the approved Employment Networks in your area when we send you your Ticket. Also, some Employment Networks may contact you to offer their services. This information also will be available on our web site and in other places.

### **How will I choose an Employment Network?**

You can contact any Employment Network in your area to see if it is the right one for you. Both you and the Employment Network have to agree to work together.

### **Can I change Employment Networks?**

Yes. You can stop working with one Employment Network and begin working with another one. Before you make this decision, however, you should make sure you fully understand how the Employment Network plans to help you to work.

### **How can I get more information about the Ticket program now?**

Before the program begins in January 2001, you can contact Social Security:

- You can call our toll-free number at 1-800-772-1213.
- We will have pamphlets and other written material available at local Social Security offices.
- Information about the Ticket program also will be available from many other private and government organizations that help people with disabilities.
- If you have access to the Internet, you can get information from our special web site, [www.ssa.gov/work](http://www.ssa.gov/work).

Beginning in January 2001, you will be able to contact the Program Manager. We will announce their toll-free telephone number, and the date they are available to answer questions.

### **If I get a Ticket, do I have to use it?**

No. The Ticket Program is voluntary.

## **II. Expanded Availability of Health Care Services**

### **Does the new law include changes in health care coverage?**

Yes. Starting October 1, 2000, the law extends Medicare Part A (Hospital) premium-free coverage for four and one-half years beyond the current limit for disability beneficiaries who work.

### **What about Medicaid?**

The law includes several important changes to Medicaid. For example, it gives states the option of providing Medicaid coverage to more people ages 16-64 with disabilities who work.

## **III. Removal of Work Disincentives**

### **If I go back to work, will I automatically lose my disability benefits?**

No, the new law has not changed our work incentives rules.

For more information about Social Security's work incentives you should:

- call our toll-free number at 1-800-772-1213;
- contact your local Social Security office; or
- visit our special web site at [www.ssa.gov/work](http://www.ssa.gov/work)

### **If my disability benefits stop because I go back to work, will I have to file a new application if I can't work anymore?**

Starting January 1, 2001, if your benefits have ended because of work, you can request that we start your benefits again without having to file a new application. There are some important conditions:

- You have to be unable to work because of your medical condition.
- The medical condition must be the same as or related to the condition you had when we first decided that you should receive disability benefits.
- You have to file your request to start your benefits again within 60 months of the date you were last entitled to benefits.

### **Will I have to wait for you to make a new medical decision before I can receive benefits?**



No. We *will* make a new medical decision, but while we are making the decision, you can receive up to six months of temporary benefits

**If you decide that you are unable to start my benefits again, will I have to pay back the temporary benefits?**

No.

**Will you still review my medical condition?**

Starting January 1, 2001, SSA will not review the medical condition of a person receiving disability benefits if that person is using a Ticket.

Starting January 1, 2002, under certain conditions, SSA will not review the medical condition of beneficiaries who have received Social Security Disability Insurance benefits for at least 24 months.

We will provide more information about medical reviews in the future.

# Social Security Legislative Bulletin



**106-15**

**December 17, 1999**

## **President Clinton Signs The Ticket To Work And Work Incentives Improvement Act Of 1999**

Today the President signed into law H.R. 1180, the Ticket to Work and Work Incentives Improvement Act of 1999. The law contains the following provisions of interest to SSA:

### **Ticket to Work and Self-Sufficiency Program**

#### **General**

- Directs the Commissioner to establish a Ticket to Work and Self-Sufficiency program (Program) which would provide SSDI and SSI disability beneficiaries with a ticket they may use to obtain vocational rehabilitation (VR) services, employment services, and other support services from an employment network of their choice.

#### **Responsibilities of the Commissioner of Social Security**

- Selects and enters into agreements with one or more organizations in the public or private sector to serve as a program manager(s) to assist the Commissioner in administering the Program.
- Terminates agreements with program manager(s) who fail to meet the performance standards specified in the agreements.
- Precludes program managers from direct participation in the delivery of services to beneficiaries or from holding a financial interest in an employment network in the service area covered by the program managers' agreement.
- Selects, and enters into agreements with, employment networks, including alternate participants who choose to act as an employment network, to provide services under the Program.
- Terminates agreements with employment networks whose performance is inadequate.
- Provides for periodic reviews of employment networks to ensure effective quality assurance in the provision of services.

- Provides for a process to resolve disputes between beneficiaries and employment networks, between program managers and employment networks, and between program managers and providers of services.

## **Responsibilities of the Program Manager(s)**

- Performs such tasks as assigned by the Commissioner.
- Recruits and recommends, for selection by the Commissioner, employment networks which can provide services under the Program.
- Monitors employment networks under its jurisdiction to ensure that beneficiaries have adequate choices of services and reasonable access to services, e.g., case management, benefits counseling, supported employment, job training, placement, and follow-up services.
- Ensures that employment networks comply with the terms of their agreements with the Commissioner and that payment by the Commissioner to an employment network is warranted.
- Ensures beneficiaries are allowed changes in employment networks without being deemed to have rejected services under the Program.

## **Employment Network(s)**

- Assumes responsibility for coordination and delivery of services under the Program to an individual assigning his/her ticket to work and self-sufficiency to an employment network.
- May consist of a one-stop delivery system established under the Workforce Investment Act of 1998 or either a single provider of such services or a group of providers organized to combine their resources into a single entity.
- Provides services either directly or by entering into agreements with other providers which can furnish appropriate services.
- Serves prescribed service areas and takes measures to ensure that services provided under the Program meet the requirements of individual work plans.
- Meets the financial reporting requirements prescribed by the Commissioner. Prepares periodic reports, on at least an annual basis, itemizing specific outcomes achieved with respect to services provided to beneficiaries.
- Develops and implements an individual work plan in partnership with each beneficiary that includes a statement of the: (1) beneficiary's vocational goal, (2) services and supports necessary to accomplish that goal, (3) terms and conditions related to the provision of those services and supports, (4) rights and remedies available to the beneficiary, and (5) beneficiary's right to modify his/her work plan if

needed. The individual work plan is effective upon written approval by the beneficiary and a representative of the employment network.

## **Employment Network Payment Systems**

- Authorizes the Commissioner to pay an employment network under either an outcome payment system or an outcome-milestone payment system. Each employment network will elect the payment system under which it will be paid.
  - Under the outcome payment system, an employment network is paid a percentage, not to exceed 40 percent, of the national average SSDI or SSI payment for each month that a beneficiary does not receive a benefit payment due to work activity for a period not to exceed 60 months.
  - The outcome-milestone payment system combines outcome payments with payments for achieving one or more milestones directed toward assisting the beneficiary in achieving permanent employment. However, the total amount of outcome-milestone payments must be less than the total amount of payments if the employment network is paid under the outcome payment system.
- Requires the Commissioner to review periodically the specifications of the payment system (percentage and total payment) to ensure that the system provides an adequate incentive for employment networks to assist beneficiaries in entering the workforce.
- Allows the Commissioner to alter the percentage or total permissible payments, as well as the number and amount of milestone payments, to allow an adequate incentive for employment networks.
- Requires the Commissioner to report within 36 months of enactment on the adequacy of the payment system as an incentive for providing services to individuals with a need for ongoing support or services, high cost accommodations, who earn a subminimum wage, or who work and receive partial benefits.

## **State Agency Participation**

- Permits a State VR agency to elect participation in the Program as an employment network with respect to each disabled beneficiary for whom it will provide services.
- State VR agencies participating in the Program will provide services under plans approved under title I of the Rehabilitation Act of 1973.
- Requires a written agreement between the State VR agency and the employment network before a State VR agency can accept any referral of a disabled beneficiary from an employment network assigned a ticket to work by the disabled beneficiary.
  - Directs the Commissioner to prescribe regulations specifying the terms of such agreements.

- Requires the Commissioner to establish in regulations a dispute resolution mechanism when the State VR agency and the employment network fail to reach an agreement on cross-referring beneficiaries.
- Requires the Commissioner, if the amendments have not been fully implemented in a State, to determine through regulations the extent (1) to which the requirement concerning prompt referral to the State VR agency applies, and (2) of the Commissioner's authority to provide vocational rehabilitation services by agreement or contract with other public or private agencies in the State.

## **Continuing Disability Reviews**

- Prohibits the Commissioner from initiating continuing disability reviews during the period that a beneficiary is using a ticket to work and self-sufficiency.

## **Financing**

- Requires payments to employment networks to be made from the Federal Old-Age, Survivors and Disability Insurance (OASDI) Trust Funds in the case of SSDI beneficiaries who return to work and from appropriations made available for making SSI payments under title XVI. The costs for administrative expenses would be authorized as appropriate from amounts made available for the administration of title II and title XVI of the Social Security Act (the Act).

## **Regulations**

- Directs the Commissioner to prescribe regulations necessary to implement the Ticket to Work and Self-Sufficiency Program not later than 1 year after the date of enactment.

## **Effective Date of the Program**

- Effective with the first month following 1 year after enactment.

## **Scope of Program Implementation**

- Directs the Commissioner to implement the amendments in graduated phases at sites selected by the Commissioner to ensure the refinement of the Program processes prior to full implementation.
- Requires the Commissioner to fully implement the Program as soon as practicable, but not later than 3 years after the effective date.

## **Evaluation**

- Requires the Commissioner (after consultation with the Advisory Panel, beneficiaries using Tickets, the General Accounting Office (GAO), other Federal

agencies, and others with appropriate expertise) to design and conduct a series of evaluations to assess the cost-effectiveness of the Program and the work outcomes for beneficiaries receiving a ticket to work and self sufficiency under the Program. Also, requires the Commissioner to provide for independent evaluations to assess the activities carried out under the Program.

## Reports

- Requires the Commissioner to report following the close of the third and fifth fiscal years and prior to the close of the seventh fiscal year ending after the effective date. Reports should be submitted to the House Committee on Ways and Means and the Senate Committee on Finance on the Commissioner's evaluation of the progress of activities, as well as the success of the Program and the Commissioner's conclusions on whether or how the Program should be modified.

## Work Incentives Advisory Panel

- Establishes a Work Incentives Advisory Panel within the Social Security Administration. The Panel will be composed of 12 members--4 appointed by the President; 2 each by the Speaker and the Minority Leader of the House; and 2 each by the Majority and Minority Leaders of the Senate. At least one-half of the members shall be individuals with disabilities or representatives of individuals with a disability, with consideration given to current and former Social Security and Supplemental Security Income disability beneficiaries. Requires that members be appointed not later than 90 days after enactment.
- Requires that all 12 members represent the interests of recipients of service, providers of service, employers, and employees (two each).
- Duties include:
  - Advising the President, Congress, and the Commissioner of Social Security on issues related to work incentive programs, planning, and assistance for individuals with disabilities, including work incentive provisions under titles II, XI, XVI, XVIII, and XIX of the Act.
  - Advising the Commissioner with respect to the Ticket to Work and Self-Sufficiency Program on the following:
    - phase-in sites for implementation of the Program;
    - access of disabled beneficiaries to employment networks, payment systems, and management information systems to ensure the success of the Program;
    - the most effective designs for research and demonstration projects associated with the Program or conducted with respect to the reduction in disability insurance benefits based on earnings; and

- development of performance measures for the employment networks.
  - Furnishing progress reports on the Program to the Commissioner and Congress.
- Requires the Panel to submit interim reports at least annually and transmit a final report which includes a detailed statement of the findings and conclusions of the Panel and its recommendations for legislation and administrative actions, to the President and the Congress not later than 8 years after the date of enactment.
  - Terminates the Panel 30 days after the date it submits its final report.
  - The costs for the Panel shall be made from amounts available for the administration of title II and title XVI, and shall be allocated from those amounts as appropriate.

## **Elimination of Work Disincentives**

### **Work Activity Standard as a Basis for Review**

- Prohibits the use of work activity as a basis for review for individuals who are entitled to disability insurance benefits under section 223 of the Act or monthly insurance benefits under section 202 of the Act based on disability and have received such benefits for at least 24 months.
- Allows for continuing disability reviews on a regularly scheduled basis that are not triggered by work activity, and termination of benefits if the individual has earnings that exceed the level of earning established by the Commissioner to represent substantial gainful activity (SGA).
- Effective January 1, 2002.

### **Expedited Reinstatement of Benefits**

- Provides that individuals, whose prior entitlement to disability and health care benefits had been terminated as a result of earnings from work activity, may request reinstatement of benefits without filing a new application.
- Requires that such individuals (1) are unable to continue working on account of their medical condition and (2) file a reinstatement request during the 60-month period following the month of termination.
- Provides that, while SSA is making a determination (by applying the medical improvement review standard) on the reinstatement request, individuals are eligible for the payment of provisional benefits for a period of not more than 6 months.
- Requires that, if SSA makes a favorable determination, both the individual's prior entitlement to benefits and the prior benefits of his dependents who continue to meet the entitlement criteria would be reinstated.

- Effective on the first day of the 13th month beginning after the date of enactment.

## **Work Incentives Planning, Assistance, and Outreach**

### **Work Incentives Outreach Program**

- Directs the Commissioner, in consultation with the Work Incentives Advisory Panel, to establish a community-based work incentives planning and assistance program for the purpose of providing accurate information related to work incentives to disabled beneficiaries.
- Under the Program, the Commissioner is directed to:
  - establish a competitive program of grants, cooperative agreements, or contracts to provide benefits planning and assistance, including information on the availability of protection and advocacy services, to disabled beneficiaries;
  - conduct directly, or through grants, cooperative agreements, or contracts, ongoing outreach efforts; and
  - establish a corps of work incentive specialists within the Social Security Administration who specialize in title II and title XVI work incentives for the purpose of providing accurate information.
- Directs the Commissioner to award a grant, cooperative agreement, or contract to an entity based on a percentage of the population of disabled beneficiaries in the State where the entity is located. No entity will receive a grant, cooperative agreement, or contract for a fiscal year that is less than \$50,000 or more than \$300,000. The total amount of all grants, cooperative agreements, and contracts awarded for a fiscal year may not exceed \$23 million.
- Provides that the costs be paid from amounts made available for the administration for title II and title XVI, and that allocations be made from those amounts as appropriate.
- Authorizes \$23 million to be allocated for each of fiscal years 2000 through 2004.
- Effective upon enactment.

### **Protection and Advocacy**

- Authorizes the Commissioner to make payments to protection and advocacy systems established in each state. Each system that receives payment is required to submit an annual report to the Commissioner and the Work Incentives Advisory Panel.



- Provides that protection and advocacy systems are paid the greater of \$100,000 or 1/3 of 1 percent of the amount available for payments for a fiscal year. Provides that payments are made from amounts available for the administration for title II and title XVI, and would be allocated from those amounts as appropriate. Any amounts allotted for payments to a protection and advocacy system would remain available until the end of the succeeding fiscal year.
- Authorizes \$7 million to be appropriated for each of fiscal years 2000 through 2004.
- Effective upon enactment.

## **Expanded Availability of Health Care Services**

### **State Options under Medicaid**

- Expands, for individuals who are at least 16, but less than 65, years of age, the States' options and funding for the Medicaid buy-in for workers with disabilities by permitting States to: (1) liberalize limits on resources and income, and (2) provide the opportunity for employed individuals with medically determinable impairments, as determined by the Secretary of Health and Human Services (HHS), to buy into Medicaid even though they are no longer eligible for SSDI or SSI disability benefits due to medical improvement. For purposes of the Medicaid buy-in, the States are authorized to require individuals to pay premiums, or other cost-sharing charges, set on a sliding scale based on income.
- Applicable with respect to medical assistance for items and services furnished on or after October 1, 2000.
- Requires GAO to report on these options not later than 3 years after enactment.

### **Continuation of Medicare Coverage**

- Extends premium-free Medicare Part A coverage for people with disabilities who return to work for an additional 4 1/2-year period beyond the four years provided under current law for SSDI beneficiaries.

Effective October 1, 2000.

- Requires GAO (5 years after enactment) to examine the effectiveness and cost of providing such premium-free Medicare Part A coverage and to recommend whether such coverage should be continued and to examine the viability of employer buy-in to Medicare.

### **Responsibilities of the Secretary of Health and Human Services**

- Directs the Secretary of HHS to:
  - provide grants to establish State infrastructures to support working

individuals with disabilities; and

- create a demonstration of a Medicaid buy-in for people whose disabilities have not yet gotten severe enough to cause them to stop work and file for benefits.
- Effective October 1, 2000.

## **Election by Disabled Beneficiaries to Suspend Medigap Insurance**

- Allows workers with disabilities who have Medicare coverage and a Medigap policy to suspend the premiums and benefits of the Medigap policy if they have employer-sponsored coverage.

Applicable with respect to requests made after the date of enactment.

## **Demonstration Projects and Studies**

### **Disability Insurance Program Demonstration Project Authority**

- Authorizes section 505 of the Social Security Disability Amendments of 1980 (Authority for Demonstration Projects) for a 5-year period. Directs the Commissioner to conduct demonstrations related to sliding scale benefit offsets using variations in the amounts of the offset as a proportion of earned income. Permits presumptively eligible applicants to participate in demonstration projects.
- Directs the Commissioner to submit: (1) interim reports on or before June 9 of each year on the progress of the demonstration projects, and (2) a final report not later than 90 days after the termination of any experiment or demonstration project carried out under this provision.
- Requires GAO to study and recommend as to whether the authority should be permanent.
- Effective upon enactment.

### **Reduction in Disability Benefits Based on Earnings**

- Directs the Commissioner to conduct demonstration projects to evaluate the effects of a \$1 for \$2 withholding of SSDI payments for earnings over a level specified by the Commissioner.
- Provides that the demonstration projects should determine:
  - the effects, if any, of induced entry and reduced exit;
  - the extent, if any, to which the project being tested is affected by whether it is

being conducted in a locality within an area under the administration of the Ticket Program; and,

- the savings to the Trust Funds and other Federal programs as a result of the project.
- Requires the Commissioner to determine the annual cost, the reasons for the return to work of beneficiaries who participate in the project, and the employment outcomes of beneficiaries who return to work as a result of participation in the project.
- Permits the Commissioner to evaluate the merits of the trial work period and the period of extended eligibility as part of the projects.
- Authorizes the Commissioner to waive compliance with the title II benefit provisions and the Secretary of HHS to waive compliance with the benefit requirements of title XVIII, insofar as is necessary for a thorough evaluation of the alternative methods under consideration.
- Requires the Commissioner to submit a written report to the House Committee on Ways and Means and the Senate Committee on Finance 90 days prior to the start of a project. Also, requires the Commissioner to submit periodic reports not later than 2 years after the date of enactment, and annually thereafter, on the progress of the project(s) and a final report on all demonstration projects to the Congressional committees not later than 1 year after their completion.

## **Funding**

- Provides that expenditures for the demonstration projects be made from the Federal Disability Insurance Trust Fund and the Federal Old-Age and Survivor's Insurance Trust Fund as determined appropriate by the Commissioner of Social Security, and from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund as determined by the Secretary of Health and Human Services, to the extent provided in advance in appropriation Acts.
- Effective upon enactment.

## **Reports and Studies**

- Requires GAO to study:
  - the extent to which existing tax credits and other employer incentives under current law encourage employers to hire and retain individuals with disabilities. A report is due to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate not later than 3 years after the date of enactment of this Act;
  - the coordination of SSDI and SSI programs as they relate to individuals who are eligible for benefits under both programs, or whose eligibility changes

from one program to the other. The study should focus on the effectiveness of work incentives and medical coverage for these individuals. A report is due to the congressional committees not later than 3 years after the date of enactment; and

- the SGA levels applicable to disabled beneficiaries; whether the levels serve as a disincentive for those returning to work, the merits of increasing SGA levels, and the rationale for not indexing the levels to inflation. A report is due to the congressional committees not later than 2 years after the date of enactment of this Act.
- Directs the Commissioner to report to the House Ways and Means Committee and the Senate Finance Committee, not later than 90 days after enactment, on all income disregards applicable to beneficiaries under SSDI and SSI programs. The report should specify the most recent statutory or regulatory change in each disregard; estimate the current value of any disregard if the disregard had been indexed for inflation; and recommend any further changes.
- Effective upon enactment.

## **Technical Amendments**

### **Drug Addicts and Alcoholics (DA&A)**

- Amends the Contract with America Advancement Act of 1996 (P.L. 104-121) to clarify SSA's authority to make SSDI medical redeterminations after January 1, 1997. (A similar SSI provision was included in the Balanced Budget Act of 1997, P.L. 105-33.)
- Expands the applicability of the provisions in P.L. 104-121, which authorizes the Commissioner to determine if a representative payee would be in the best interest of a disabled beneficiary who is incapable and has a DA&A condition, and whether such individual should be referred to a State agency for substance abuse treatment services.
- Effective as if included in the enactment of section 105 of the Contract with America Advancement Act of 1996 (P.L. 104-121).

### **Treatment of Prisoners**

- Extends the incentive payment provisions now in effect for SSI prisoners to OASDI, and would authorize the Commissioner to provide, on a reimbursable basis, this reported information to any agency administering a Federal or federally assisted cash, food, or medical assistance program for purpose of determining program eligibility.

Applicable to individuals whose period of confinement in an institution begins on or after the first day of the fourth month beginning after the month of enactment.

- Eliminates the OASDI requirement that confinement stem from a crime punishable by imprisonment for more than 1 year. Benefits would be suspended for any month during which the person was confined because of a crime or finding of not guilty by reason of insanity except that no monthly benefit would be suspended for any month falling within a period of confinement that lasts for less than 30 days.

Applicable to individuals whose period of confinement in an institution begins on or after the first day of the fourth month beginning after the month of enactment.

- Provides that an institution does not get two incentive payments when the reported prisoner is a concurrent OASDI/SSI beneficiary--the programs would split the cost of the payment.

Effective as if included in enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193).

- Prohibits the payment of monthly benefits to any title II beneficiary who upon completion of a prison term remains confined by court order to a public institution based on a finding that the individual is a sexually dangerous person or a sexual predator.

Effective with respect to benefits for months ending after the date of enactment.

## **Revocation by Members of the Clergy of Exemption from Social Security Coverage**

- Creates a 2-year window to allow members of the clergy who applied for and received an exemption from Social Security coverage to revoke the exemption.
- The application for revocation must be filed before the due date for the income tax return for the applicant's second taxable year beginning after 12/31/99.

The revocation is effective, at the applicant's option, beginning with either the first or second taxable year beginning after 12/31/99.

## **Cooperative Research or Demonstration Projects Under Title II and Title XVI**

- Clarifies the Commissioner's authority to make grants and payments under cooperative research or demonstration projects in advance or by way of reimbursement to carry out demonstration projects and cooperative research not only for title XVI, but also title II under section 1110(a) of the Social Security Act.

Effective as if included in the enactment of the Social Security Independence and Program Improvement Act of 1994 (P.L. 103-296).

## **Authorization for State to Permit Annual Wage Reports**

- Authorizes States to permit employers to submit wage reports of domestic workers

to the State on an annual rather than quarterly basis for purposes of the income and eligibility verification system for the TANF, Medicaid, food stamp and unemployment compensation programs.

Applicable to wage reports required to be submitted on or after the date of enactment.

### **Assessment on Attorneys who Receive their Fees Via the Social Security Administration**

- Allows the Commissioner to charge an assessment, not to exceed 6.3 percent, to recover the costs for determining, and certifying (processing, withholding, and distributing) fees to attorneys.
- Eliminates the requirement that the Commissioner may not certify an attorney fee before the end of the 15-day waiting period.
- Requires GAO to study the costs of administering the attorney fee provisions, the feasibility of a fixed fee for services to an attorney, and make recommendations to improve or modify the attorney fee payment process. A report would be due to the congressional committees not later than one year after the date of enactment.

Applicable in the case of any attorney with respect to whom a fee for services is required to be certified for payments from a claimant's past-due payments after the later of December 31, 1999 or the last day of the first month beginning after the month of enactment.

### **Extension of Authority of State Medicaid Fraud Control Units**

- Extends the authority of State Medicaid fraud control units to investigate and prosecute fraud in other Federal health care programs.
- Effective upon enactment.

### **Schedule for SSI Supplementation Payments**

- Effective for months after September 2009, requires a State that has entered into an agreement with the Commissioner for Federal administration of State supplementary payments to remit the payments and fees required of them no later than the business day preceding the SSI payment date. (With respect to State supplementary payments paid for the month which is the last month of the State's fiscal year, the fifth business day following the SSI payment date.)
- Authorizes the Commissioner to charge a penalty equal to 5 percent of the payment and fees if the remittance is received after the required date.
- Also provides that under extraordinary circumstances affecting the State's ability to make payment, the Commissioner may make the State supplementary payments on a reimbursable basis.



# **Fact Sheet**

## **TICKET TO WORK AND**

### **WORK INCENTIVES IMPROVEMENT ACT OF 1999**

The President signed the Ticket to Work and Work Incentives Improvement Act of 1999 on December 17. This new law:

- increases beneficiary choice in obtaining rehabilitation and vocational services;
- removes barriers that require people with disabilities to choose between health care coverage and work; and
- assures that more Americans with disabilities have the opportunity to participate in the workforce and lessen their dependence on public benefits.

The provisions of the law become effective at various times, generally beginning one year after enactment. They are described below.

#### **Establishment of the Ticket to Work and Self-Sufficiency Program**

The program will be phased in nationally over a three-year period beginning January 1, 2001, with the first Tickets issued early in 2001.

Social Security and Supplemental Security Income (SSI) disability beneficiaries will receive a "Ticket" they may use to obtain vocational rehabilitation (VR), employment or other support services from an approved provider of their choice.

The Ticket program is voluntary.

#### **Expanded Availability of Health Care Services**

The law includes several enhancements to Medicaid and Medicare that are

effective October 1, 2000.

States will have the option to provide Medicaid coverage to more people ages 16-64 with disabilities who work.

States will have the option to permit working individuals with incomes above 250 percent of the federal poverty level to buy in to Medicaid

The law creates a new Medicaid buy-in demonstration project to provide medical assistance to workers with impairments who are not yet too disabled to work.

The law also extends Medicare coverage for people with disabilities who return to work. It extends Part A premium-free coverage for 4 1/2 years beyond the current limit for Social Security disability beneficiaries who return to work.

### **Expedited Reinstatement of Benefits**

Effective January 1, 2001, when a person's Social Security or Supplemental Security Income disability benefits have ended because of earnings from work, he or she would be able to request reinstatement of benefits.

Beneficiaries must be unable to work because of their medical condition.

They must file the request for reinstatement with Social Security within 60 months from the month of their termination.

While Social Security is making a new determination, beneficiaries may receive up to six months of provisional benefits, including Medicare and Medicaid, as appropriate.

If Social Security decides that the medical condition no longer prevents the individual from working, the provisional benefits paid would not be considered an overpayment.

### **Continuing Disability Reviews**

Effective January 1, 2001, Social Security cannot initiate a continuing disability medical review while a Social Security or SSI disability beneficiary is using a ticket. Cash benefits may be subject to termination if earnings are substantial.

Effective January 1, 2002, work activity by a Social Security disability beneficiary who has received Social Security disability benefits for at least 24 months could not be used as a basis for conducting a disability review. However, the individual would be subject to regularly scheduled medical reviews. Again, cash benefits may be subject to termination if earnings are substantial.

### **Work Incentives Advisory Panel**



The law establishes a Work Incentives Advisory Panel within Social Security composed of 12 members appointed by the President and Congress. The Panel is to advise the Commissioner and report to Congress on implementation of the Ticket program. At least one-half of the Panel members are required to be individuals with disabilities, or representatives of individuals of disabilities, with consideration given to current or former Social Security disability beneficiaries.

### **Work Incentives Outreach Program**

The law directs Social Security to establish a community-based work incentives planning and assistance program for the purpose of disseminating accurate information related to work incentives. Social Security will establish a program of grants, cooperative agreements or contracts to provide benefits planning and assistance, including the availability of protection and advocacy services, and outreach.

The law also directs Social Security to establish a corps of work incentives specialists within Social Security.

### **Protection and Advocacy**

The law authorizes Social Security to make payments to protection and advocacy systems established in each state to provide information, advice, advocacy and other services to disability beneficiaries.

### **Demonstration Projects and Studies**

The law extends Social Security Disability Insurance demonstration authority for 5 years. Under the law, Social Security is required to conduct a demonstration project to test reducing Social Security Disability Insurance benefits by \$1 for each \$2 that a beneficiary earns over a certain amount or amounts.

The implementation dates and locations for this demonstration will be announced.

**Social Security Administration**

December 1999

## Employment Networks Questionnaire

### Introduction

The Social Security Administration (SSA) has contracted with The Gallup Organization to assist the Agency in determining the level of interest of organizations in becoming Employment Networks, which will deliver employment-related services to Social Security disability beneficiaries under public law 106-170, Ticket to Work and Work Incentives Improvements Act of 1999 ([TWWIIA](#)). This information will be used to develop profiles of potential Employment Networks, including their capabilities, the types of services they offer, and their availability to all SSA disability beneficiaries. SSA will use these profiles to facilitate the rapid recruitment of Employment Networks within the timeframes specified in the Act. **Response to the questionnaire is NOT a part of the eligibility application process.**

The purposes of collecting this information is to:

1. Determine the level of interest of organizations for participation in Employment Networks;
2. Identify and profile organizations with potential for serving as Employment Networks;
3. Evaluate the capability of these organizations to provide employment-related Services; and
4. Assess the availability of Employment Network coverage to all SSA disability beneficiaries.

### Background

The Ticket to Work and Work Incentives Improvement Act of 1999 ([TWWIIA](#)) is designed to minimize the barriers that disability beneficiaries currently encounter in entering the workforce by expanding the availability of healthcare services and coverage; eliminating work disincentives; providing work incentives planning, assistance, and outreach; and creating the [Ticket to Work and Self-Sufficiency Program](#). This Program will provide more choices in receiving employment services and increase provider incentives to serve disability beneficiaries.

Under the Program, the Commissioner of SSA may issue a ticket to a disabled beneficiary, who in turn may assign that ticket to any Employment Network of the beneficiary's choice that is serving under the Program and is willing to accept the assignment. The Commissioner of SSA will select and enter into agreements with Employment Networks to provide employment, training, vocational rehabilitation and other support services. Such Employment Networks shall be in addition to the existing State Vocational Rehabilitation Agencies.

## **Definition of Employment Network**

An Employment Network is one or more businesses or organizations, which is approved by SSA under the Program for payment in connection with providing employment-related services to SSI or SSDI beneficiaries. An Employment Network may be a private business/organization or a public agency, non-profit or for-profit. It may be a one-stop delivery system, a group of providers organized to combine their resources into a network, a single entity, or a single entity that contracts out certain employment related services. The Employment Networks may operate in one State, in multiple States, or nationwide. An Employment Network serves prescribed service areas and takes measures to ensure that services provided under the Program meet the requirements of individual work plans. The Employment Network will receive payment from SSA through an outcome or milestone system of payment. SSA is presently drafting guidelines that will describe these payment systems.

## **Questionnaire Procedures**

In late April 2000, questionnaires will be mailed to about 21,000 private businesses and organizations, public agencies and non-profit organizations from a list compiled by Gallup. The mailing list is not comprehensive and all such entities providing employment, employment-related services, vocational rehabilitation or other support services are eligible to respond to the questionnaire. Organizations will also have the option of completing the questionnaire on the World Wide Web. The web site address and a unique PIN number for accessing the web questionnaire will be provided with the paper questionnaire.

If your organization would like to be included in this initiative, please call Gallup's toll-free hotline at 1-800-788-9987 or send an email to [SSA\\_EN@gallup.com](mailto:SSA_EN@gallup.com). Please leave the name of your organization, the name of a contact person at your organization, your organization's address, telephone number, fax number, and e-mail address.